

AS

BEFORE

THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 96-270-C - ORDER NO. 97-139

FEBRUARY 20, 1997

IN RE: Application of PBT Communications, Inc.	)	ORDER
for a Certificate of Public Convenience	)	APPROVING
and Necessity to Provide Intrastate	)	CERTIFICATE
Resold Telecommunications Services in	)	
South Carolina.	)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of PBT Communications, Inc., ("PBT" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of intrastate interexchange telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1995) and the Regulations of the Public Service Commission of South Carolina. In its Application, PBT requested, for the filing of its business tariff changes, an alternative regulation plan as approved by this Commission in previous dockets.

The Commission's Executive Director instructed PBT to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of PBT's Application and of the manner and time in which to file the

appropriate pleadings for participation in the proceeding. PBT complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or letters of protest were received by the Commission regarding PBT's Application.

A hearing was commenced on January 28, 1997, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. PBT was represented by Margaret M. Fox, Esquire. Catherine D. Taylor, Staff Counsel, represented the Commission Staff.

L. B. Spearman, Manager of Regulatory and External Affairs for PBT, appeared and offered testimony in support of PBT's Application. Mr. Spearman stated that PBT is a South Carolina corporation. According to Mr. Spearman, PBT proposes to offer long distance services using resold transmission services of carriers certificated to carry traffic in South Carolina. Mr. Spearman explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a reseller. The record reveals the Company's services, operations and marketing procedures.

Mr. Spearman explained that PBT possesses the technical, financial and managerial abilities to provide its services in South Carolina. Mr. Spearman also offered that approval of PBT's Application would increase the level of long distance competition in South Carolina, would expand subscriber awareness of options and services, and would encourage growth and success of

competitive services.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. PBT is incorporated under the laws of the State of South Carolina.
2. PBT operates as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.
3. PBT has the experience, capability, and financial resources to provide the services as described in its Application.
4. PBT has requested alternative regulation for certain service offerings wherein tariff changes which are below the maximum rates as stated in the Company's then-effective tariff are presumed valid upon filing. The Commission would have seven (7) days from the date of filing to institute an investigation of the tariff filing, and, upon an investigation being instituted, the tariff filing would be suspended until further Order of the Commission.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to PBT to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA,

as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for PBT for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. PBT shall not adjust its rates for its services below the approved maximum level without notice to the Commission. For adjustment of residential rates, PBT shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, a public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993).

For business service offerings, credit card services, operator services, private line services, and customer network offerings, PBT may file tariff changes to the rates which are

below the maximum rates as stated in the Company's then effective tariff. Such filings will be presumed valid upon filing unless the Commission institutes an investigation of the tariff filing within seven (7) days of the filing. Upon such investigation being instituted, the tariff filing would be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to PBT also. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1996).

4. PBT shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the date of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. PBT is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. PBT shall resell the services of only those interexchange

carriers or LECs authorized to do business in South Carolina by this Commission. If PBT changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, PBT shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. PBT shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

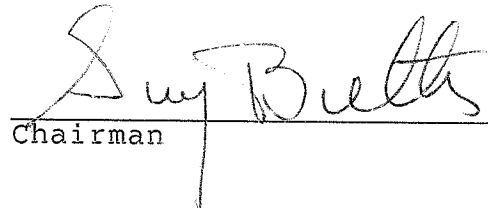
10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. PBT shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

11. The Commission has previously adopted an alternative

regulatory process for the business services of other companies. The Commission has not yet adopted or approved an alternative regulatory process for residential services. The Commission believes that an alternative regulatory process is appropriate for the business services of PBT but declines to adopt an alternative regulatory process for residential services at this time. Therefore, PBT is granted the requested alternative regulation detailed above as partially granted in Order No. 95-1734 and Order No. 96-55.

12. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

DOCKET NO. 96-270-C - ORDER NO. 97-139  
FEBRUARY 20, 1997  
ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12  
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION  
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,  
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR  
ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS  
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT  
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE